

RETIREE Connection

Published Bi-Annually for Retired Members
of the State Employees' Retirement System

FALL/WINTER 2008 ♦ VOLUME I ISSUE II

Office of
State Treasurer
Timothy P. Cahill



RECORD ATTENDANCE AT MONEY CONFERENCE

Economic uncertainty draws nearly 2000 attendees to this financial education event

State Treasurer Tim Cahill hosted The Money Conference for Women and Families, a free day-long financial seminar designed to teach money management skills to individuals of all levels of financial knowledge on September 27th. Nearly 2,000 people pre-registered for the conference, making it the largest conference Treasurer Cahill has hosted.

"Many families in Massachusetts are scared and really struggling to get by in this tough economic time," said Treasurer Cahill. "Giving people the tools to take control of their finances is a priority for my administration."

Featured speakers included Dee Lee, national financial guru and author of *Women & Money* and *Let's Talk Money*. The conference curriculum offered practical advice and tools to help participants

design and implement a personal savings strategy and develop a plan to achieve financial stability during this unstable time. Conference workshops included "Identity Theft: The Fastest Growing Crime in America", "Presenting Yourself Powerfully", and "Single Sophistication".

"The Money Conference for Women and Families now offers seminars for those with basic money management skills and another set of workshops for those with a higher level of financial literacy," said Leanne Martin, director of the Treasurer's Financial Education Division.

For more information on the Money Conference and to be added to their mailing list contact the Treasurer's office or go to the website at www.moneyconference.com. ♦

Welcome to the fall/winter issue of the Retiree Connection!

We are faced today with unparalleled economic uncertainty both locally and nationally. While I understand you might be feeling anxious over your finances, including your retirement, I want to assure you of the stability of your state retirement benefits.

In this newsletter, you will get information about your benefits under option C. You will also learn about the health of the well-diversified PRIT and SERS funds and information about The Money Conference.

Feel free to send us your comments.

Tim Cahill
Treasurer & Receiver General

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1-877-457-1900

Understanding Your Benefits

The "Pop-Up" Provision of Option C

If you retired under Option C, your goal was to protect your beneficiary and provide them with a monthly benefit. Upon your death your beneficiary would be eligible for a pension for life.

But what if your beneficiary dies before you do?

An eligible beneficiary under Option C is a current spouse, unmarried former spouse, child, sibling, or parent. If he or she passes away, there are a few points to keep in mind.

First, please contact the Board to let us know to update your pension. Your pension benefit will "pop up" to option A and you will begin receiving the higher pension amount based on your individual retirement calculation.

If both you and your spouse are retired state employees you could both retire under Option C and name each other as beneficiaries. If that is the case and one of you passes away let our Survivor Benefits Department know about both retirement cases so that we can adjust each one accurately.

Also, while it is important to inform other agencies, such



as the Group Insurance Commission, of a death, the Board must also be informed. We cannot adjust your account until we receive the death certificate.

We understand that dealing with the death of a loved one can be difficult. Knowing what to do ahead of time can help ease some of the stress. ♦



Did you send in your Benefit Verification Form (BVF)?

99% of you did send us your completed BVF, however, there are still a small number of you that have not. Those who have not complied received a notice in September.

Benefit payments will be interrupted beginning with your October 31 benefit payment if we did not receive your form by October 17th.

Benefit payments cannot resume until we receive your properly completed form. Please contact our office immediately if you need assistance completing your BVF. ♦

Upcoming Dates Direct Deposit/Check Mailing

Direct Deposit	Mail Date
10/31	10/29
11/30	11/25
12/31	12/29

2009 Pension Check Dates
will be available
later this year

Letters to the Editor

Thank you for sending us your comments. Most letters expressed concern over your wallets - such as GPO/WEP legislation, Economic Stimulus Payments, & BVF's. Please keep your letters coming!

Is there any legislation proposed to increase the \$12,000 base for COLA? It seems to me at least \$20-25,000 would be a fairer base.

Is there any chance of the pending Federal legislation on GPO/WEP actually passing within the next year or two??? It would be a great help to me, and many others.

Keep up the good work!!

- M.S., Brewster, MA

Editor's Note: Please see page 4 for an update on the COLA. We'll keep you updated on any new GPO/WEP legislation.

In the first issue, comments were solicited: There is one obvious omission - a date on the masthead!!!

- R.B., Amherst, MA

Editor's Note: We'll be sure not to omit the date in this and future issues!

Just read your first issue. Concise, informative. I learned a couple of things. You have a good idea. Keep publishing.

- W.L., Middleborough, MA

Editor's Note: Thank you!

At this time, I would like to know the need for the monthly statement throughout the year. Is this required by law?

Certainly it would be nice to see the July statement as amounts change, but during the year when there are no changes, it would seem to me we could save the cost of printing and mailing.

- C.S., Charlton, MA

Editor's Note: Your monthly paper statement can be suspended at any time if you have Direct Deposit simply by calling our office. ♦

Please send comments to the editor to: ndunker@tre.state.ma.us or mail to our Boston office.

Selected letters may be printed in future issues. Please include your name and address. Letters may be edited for clarity & space.



Your Money - Your Pension and the Economy

The Value of a Defined Benefit Plan

Your Massachusetts State Pension is considered to be a Defined Benefit Plan. This means that your retirement benefit is not calculated based on your contributions into the system but rather a set formula that is calculated at the time of your retirement. The formula is generally based on your years of service, your salary average and your age at retirement and are **guaranteed for life**.

Contributions you and the state made into the State Employees' Retirement System are invested in the Pension Reserves Investment Trust (PRIT) fund and are

managed by the Pension Reserves Investment Management (PRIM) board.

Your benefits are not tied to the performance of the financial markets thus **fluctuations in the market have no effect on your benefit**.

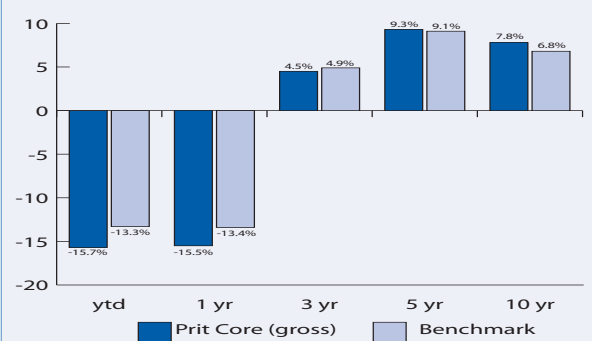
According to the Employee Benefits Research Institute, overall retirement confidence has dropped sharply (Issue Brief No. 316, 2008 *Retirement Confidence Survey*, April 2008). During times of economic uncertainty, a **retirement system providing benefits since 1911** can be one less thing to worry about. ♦

PRIM Update (As of 9/30/08)

Pension Reserves Investment Trust (PRIT) FUND ASSETS:
\$45,361,839,000

State Employees Retirement System (SERS) ASSETS:
\$18,596,460,826

PRIT Core Fund as of 9/30/08





THE COMMONWEALTH OF MASSACHUSETTS

State Board of Retirement

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You Served the Commonwealth...We Serve You.

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The Last Word -

Cost of Living Adjustment Base to Remain at \$12K

After the legislature passed a bill increasing the base of the COLA from \$12,000 to \$16,000, Governor Deval Patrick sent it back with a compromise.

Included in Governor Patrick's compromise was a cap to only increase the COLA base for state and teachers' retirement system members receiving less than \$40,000 a year in retirement benefits.

Retirees and benefit recipients receiving less than \$40,000 a year would

get an increase on the first \$16,000 of their benefits, while those receiving over \$40,000 a year would get an increase on their first \$12,000.

The bill was sent back to the governor's office with a one year limit on the Governor's benefit cap. Governor Patrick vetoed the bill. Thus, with no time left in the session to adjust the bill after the veto, we will have to wait until the next session before any new legislation can be introduced. We will continue to keep you updated. ♦

Reminders

Change of Address

If you are moving to a warmer location this winter, don't forget to contact the Board to change your address.

Direct Deposit

It's safe, secure, and convenient. If you haven't signed up yet, forms are available on our website or by calling our office.